

Improvement of Corporate Governance Practices of İstanbul Stock Exchange (ISE) Corporate Governance Index Companies

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A series of corporate scandals highlighted the corporate governance issue all around the world. Like other countries, Turkey has adopted strong regulatory framework for corporate governance in the last decade. The purpose of this study is to analyze the improvement in corporate governance practices of İstanbul Stock Exchange Corporate Governance Index Companies between the years of 2007 and 2012. With this purpose corporate governance rating reports of companies were examined. Based on the examination of corporate governance rating reports; it is observed that overall corporate governance ratings have been gradually increasing year by year. Further analysis demonstrates that while stakeholders section is the most strength side, board of directors is the weakest part of Corporate Governance Index Companies. Nonetheless, in 2012 a sharp increase in the ratings of board of directors section was observed thanks to enactment of new Commercial Code and enforcement of Communiqué Serial : IV, No:56.

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